



Perception regarding the Pradhan Mantri Jan Dhan Yojana among the Below Poverty Line Group: A Study of Patna Town

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Abstract: *Pradhan Mantri Jan Dhan Yojana (PMJDY) is a National Mission for Financial Inclusion and is based on the theme “sab ka sath sab ka vikas”. It promotes inclusive growth to ensure access to Financial Services to the weaker sections of the society who were not linked to the bank in any way. The Yojana was launched by Honourable Prime Minister Shri Narendra Modi on 28th August 2014. Financial Inclusion is the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society. The present study was undertaken to access the Perception of the BPL group about the PMJDY in Patna town. It also aimed to find out the awareness regarding PMJDY. 100 respondents*

were selected through purposive sampling method in which 50 were Adalat ganj and 50 from Mandir. The respondents were aware about this Yojana but majority of them did not have sufficient knowledge about the benefits and services provided under this. Findings also brought to light that those among them who opened a bank account under this Yojana were not able to keep up any transactions with the bank since they had a meagre income and lack of awareness regarding the facilities offered by it. Financial literacy among the BPL population is an urgent need in order to achieve the objectives envisioned by the founder in the inception of the Yojana.

Keywords : *Financial Inclusion, Financial Services, PMJDY, Perception, Below Poverty Line (BPL).*

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Introduction :

Financial Inclusion is an innovative concept which enables alternative techniques to promote the banking habits and aids to reduce poverty. The launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) by government of India works in that direction of Financial Inclusion. To achieve the objective of faster and higher inclusive growth, the 11th five year plan had focused on the financial inclusion of the poor or weaker section of our country and further emphasized on inclusive growth. Financial inclusion or linking the poor to the bank gives the opportunity to the poor to have a bank account which will enable them to save and make investments and reduce the difficulties due to low and irregular earnings.

It brings employment, economic growth, and social cohesion and reduces poverty. The financial inclusion secures the family with insurance, give facility of credit, overdraft etc and frees the poor from money lenders. These efforts help to eradicate poverty.

Under this Yojana any person who is an Indian Citizen above the age of 18 years can get a bank account with RuPay debit Card. The objective of the PMJDY is to ensure that no household is left without a bank account. It was reported that a total of 7 crore bank accounts have been opened (as on 6 November 2014) as part of financial inclusion, which was increased from 7crore to 10 crore by 26th January 2015.

India accounted for the largest number of poor people in any country, but its poverty rate was lowest among countries having large number of poor population. Poverty line is the level of income to meet the minimum living conditions. It is an income threshold below which families are considered poor. Some economists state; it is the amount of money needed for a person to meet his basic needs. Some others defined it as the money value of the goods and services needed to provide basic welfare to an individual.

The term, 'Below Poverty Line' is an economic benchmark used by the government of India to indicate the economically disadvantaged section and to identify individuals and households in need of government assistance and aid. It is determined by using various parameters which vary from state to state and within states. The poverty line, which is also sometimes called the poverty threshold, is the smallest amount of money a person or a family needs to live on; to buy what is needed. Labourers (farm workers in villages, casual workers in cities), tribal people, Dalits (formerly called low caste/untouchables) and Muslims remain among the poorest of Indians (<https://www.bbc.com>).

The income limit for households for qualifying as a beneficiary under the BPL (Below Poverty Line) list has been pegged at about Rs. 27,000 per annum or less than two hectares of land, according to the methodology approved by the union cabinet. The upper limit has been arrived at by allowing five earning persons in a household with per capita monthly income of about Rs. 447 per month in the rural areas which works out roughly to Rs. 2,250 per month per household. Due to poverty, lack of education and the lack of a permanent job; they are forced to work as daily wage workers. They work as labourers at various construction sites or factories and often move to the cities in search of such odd jobs.

Almost 60% of the poor continue to reside in Bihar, Jharkhand, Orissa, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Uttarakhand. Significantly, 85% of India's tribal people and Dalits live in these states.

The population living below the poverty line (BPL) in Bihar is gradually increasing. The total population under the BPL in the state in 2011 was 1,26,61,632 which has increased to 3,50,34,065 . Bihar ranks as the fifth poorest state in India (<http://economictimes.inditimes.com>).

Purpose of the Yojana :

The scheme has been started with a target to provide 'universal and clear access to banking facilities' starting with "Basic Banking Accounts" with overdraft facility of Rs. 5000/- after six months and RuPay Debit card with inbuilt accident insurance cover of Rs.1 lakh and RuPay Kisan Card, micro insurance and pension.

Objective of the Yojana :

The objective of "Pradhan Mantri Jan Dhan Yojana" is to ensure access to various financial services like availability of basic account, access to need based credit, remittances facility, insurance and pension to the excluded sections, meaning weaker sections & low income groups. This deep penetration at affordable cost is possible only with the effective use of technology.

Milestones achieved under PMJDY (As on 21st December, 2016)

- 26.03 Crore accounts have been opened under PMJDY out of which 15.86 crore accounts are in rural areas and 10.17 crore in urban areas.
- Deposits of Rs. 71,557.90 crore have been mobilized.
- 19.93 Crore RuPay Debit cards have been issued under PMJDY.
- Aadhaar seeding in PMJDY accounts 14.43 crore.
- Zero balance accounts have been reduced to 23.86%.
- Household Coverage: 99.99% households out of the 21.22 crore households surveyed have been covered under PMJDY.(Source- Press Information Bureau, Govt. of India, Ministry of Finance)

Problem of the study:

Around 135 million household do not have access to banking services in India. Most of the people depend on money lenders for their financial needs, who exploit

them with high interest rates and unfair terms and conditions. Therefore government of India took initiative through "PMJDY" to take people in the realm of banking. The present study throws light on the perceptions of the BPL group about the PMJDY and how this Yojana has benefited those below poverty line.

Purpose of the Study:

Money is one of the resources that helps one to live a decent life. Every human being desires and aspires to live an independent life without begging, borrowing and being exploited by others. The poorest of the poor struggles hard to earn their livelihood and dream of having some savings for the future.

The Government of India has launched PMJDY for the benefit of the poor, to raise their standard of living, by helping them to become bank account-holders and to benefit from the scheme. The financial inclusion is meant to ensure the development of the national economy as well.

The main purpose of the present study is to know the views of the people in BPL regarding PMJDY. The study also aims to find out how the scheme has benefited the said population and further it proposes to create awareness among the respondents regarding the benefits they could obtain through this Yojana.

Objectives of the study:

1. To find out the awareness level about the PMJDY among the BPL group.
2. To know the views of BPL group regarding the PMJDY.
3. To ascertain the benefits achieved because of PMJDY by the BPL group.

Hypotheses of the study:

1. There is no significant awareness about the PMJDY among BPL group.
2. The BPL group considers PMJDY beneficial.
3. BPL group who have adopted PMJDY have benefited financially from it.

Methodology :

- **Area of the Study** : BPL group from the following areas were taken for the study.
 - AdalatGanj
 - Mandiri
- **Sampling** : Sample size – 100 BPL people were selected through purposive sampling method.
 - 50 from AdalatGanj
 - 50 from Mandiri

- **Tool for Data Collection** : Interview schedule was used to collect data from the respondents.
- **Data Analysis Technique** : Tabulation and frequency distribution method were used for data analysis.
- **Statistical Analysis** : The data collected from the respondents is expressed in percentage.

Results and Discussion :

The objective of this study was to find out the awareness level about the PMJDY among the BPL group; to understand their views regarding this scheme and also to find out the benefits availed by the BPL group through PMJDY.

General information regarding respondents:

Table1. Age wise distribution of respondents

Sl. No.	Age	Number	Percentage (%)
1.	UPTO 20	4	4
2.	21-40	60	60
3.	41-60	27	27
4.	MORE THAN 60	9	9
	TOTAL	100	100

Source : Field Survey.

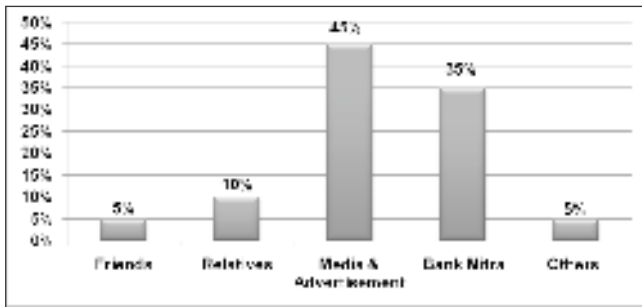
Table 2. Family annual income wise distribution of respondents

Sl. No.	Family Annual Income	Number	Percentage (%)
1.	BELOW-RS. 15,000	44	44
2.	RS. 15,000- RS. 20,000	10	10
3.	RS. 20,000- RS. 27,000	22	22
4.	ABOVE- RS. 27,000	24	24
	TOTAL	100	100

Source : Field Survey.

The above table shows that among the respondents majority (44%) of them lived on a very low income.

The interview revealed that all (100%) of the respondents were aware that Pradhan Mantri had launched the Jan Dhan Yojana and all could open bank accounts with zero balance.



Source: Field Survey.

Fig.1. Source of Information (N-100)

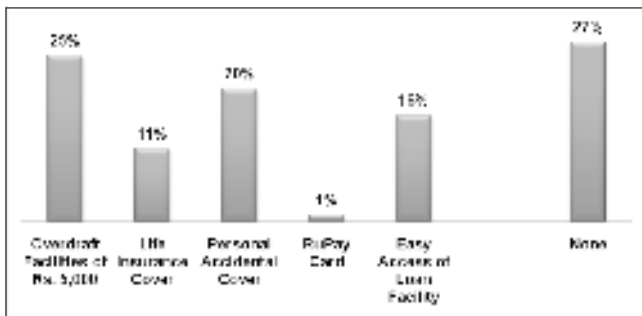
The given figure reveals that majority of respondents (45%) have come to know about Yojana from Media & Advertisement especially through T.V., Newspaper, Banners, Hoardings etc. 35% of respondents expressed that they got information from Bank Mitra. Besides these, a few percentage of respondents indicated that their informants included relatives, friends and others. Therefore, from the above discussion it is clear that the media and advertisement played an important role in creating awareness about the PMJD Yojana among people.

Table 3. Awareness about PMJDY amongst respondents (N-100)

Sl. No.	Response	Number	Percentage (%)
1.	YES	100	100
2.	NO	0	0
	TOTAL	100	100

Source: Field Survey.

From the above given table it is very clear that out of 100 respondents, all were aware of PMJDY.



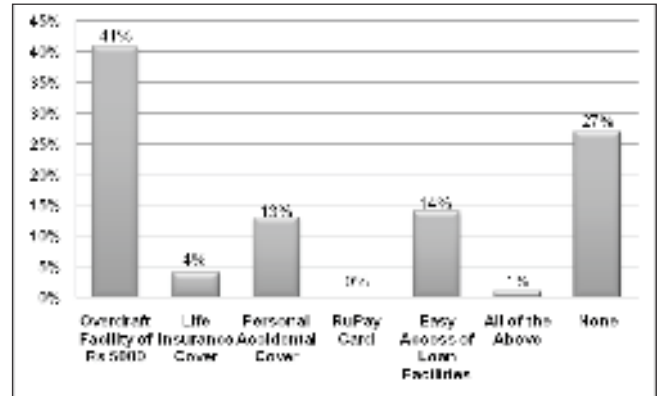
Source: Field Survey.

Fig. 2. Knowledge regarding the facilities provided by PMJDY amongst the respondents (N-100)

It is clear from the given figure that 25% of the respondents were aware about the Overdraft facility of Rs.5000. It is also clear that respondents hardly had any

knowledge regarding other facilities. 27% of the respondents have absolutely no awareness regarding any of the facilities. So, on the whole, the group lack in-depth knowledge about the facilities provided by Pradhan Mantri Jan Dhan Yojana. Therefore, the first hypothesis 'There is no significant awareness about the PMJDY among BPL group' is approved.

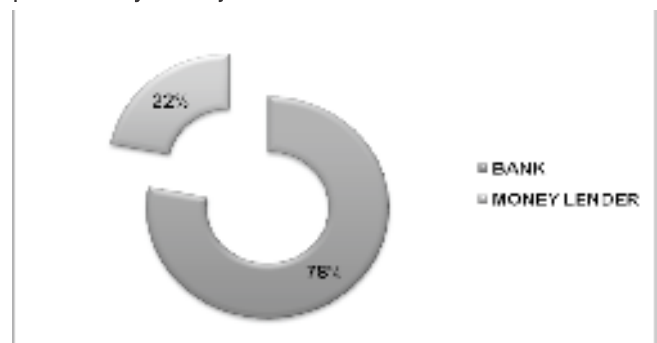
Objective :- To know the views of BPL group regarding the PMJDY.



Source: Field Survey.

Fig.3. Preference regarding facilities provided by the Yojana (N-100)

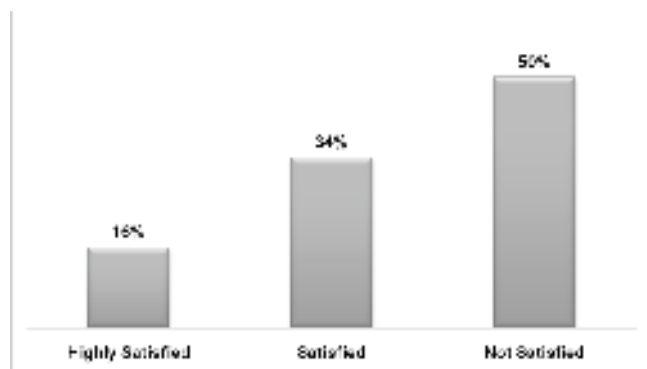
The above data reveals the preferences of respondents regarding various facilities provided by the Yojana. Majority of the respondents (41%) of the respondents preferred Overdraft Facility of Rs.5000/- as this would provide them certain amount of financial security especially in time of emergency. Access to Loan Facilities was preferred by 14% of the respondents, while 13% were interested in Personal Accidental Cover. Surprisingly only 4% of the respondents showed preference to Life Insurance Scheme and 27% of the respondents indicated no preference for any of the facilities under PMJDY. The researcher's interaction with these respondents revealed that they were ignorant about these facilities provided under the Yojana. This indicates that lack of knowledge (financial literacy) is the reason behind their indifference to the various benefits provided by the Yojana.



Source: Field Survey.

Fig.4. Preference shown regarding borrowing money (N-100)

The given figure reveals that the majority of the respondents (78%) preferred bank loans rather than borrowing from money lenders, because bank interest rates are lower than the interest demanded by money lenders.



Source: Field Survey.

Fig. 5. Level of satisfaction from PMJDY (N-100)

In the given data it is clearly shown that only 16% of the respondents are highly satisfied with the benefits and services provided under the PMJDY while 50% of respondents are not satisfied with the benefits and services provided under PMJDY because they have not received any financial help from the banks under this Yojana.

Table 4. Views regarding the benefits of PMJDY scheme (N-100)

VIEWS	NUMBER
To Develop Saving Habits	20
To Improve Economic Condition	18
To Prevent Exploitation By Money Lenders	17
Not Beneficial	45

Source: Field Survey.

The above table reveals that 20% respondent are of the opinion that opening an account under this scheme has helped them save money in the bank which in turn helps controlling their expenses. It helps them to earn and to bring in some interest. 18% respondents feel this Yojana is helpful to improve their economic conditions. Cash in hand would often be spent extravagantly, without much thought or control. However, saving in the bank puts a check on quick spending and makes them to spend money cautiously. 17% management respondents expressed that the Yojana is helpful in saving them from the exploitation by the money lenders. Therefore, they prefer to take loan from a bank, when in need.

However, 45% respondents expressed that this Yojana is not beneficial to the BPL group in anyway. Most of them expressed that since they do not have a steady income as they belong to daily wagers group, whatever money comes into their hands is spent on daily basic needs of the family and nothing is left for saving. Besides, most of the facilities mentioned under the Yojana are available to those who hold a bank account and transact regularly. For those who have no account, the bank demands various documents to be submitted, which the respondents feel is a tedious task. From the above discussions it is clear that less than expected number of respondents avail benefits from PMJDY. So the second hypothesis, “BPL group consider PMJDY beneficial” is disproved.

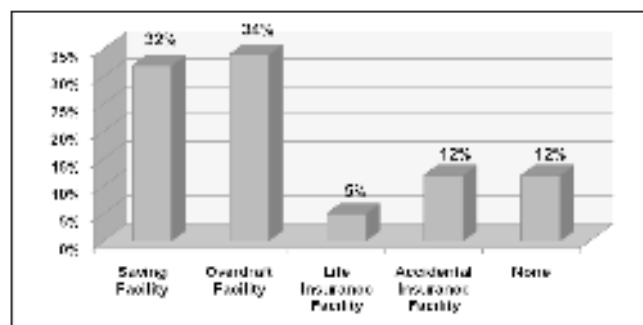
Objective 3:- To ascertain the benefits achieved because of PMJDY by the BPL group

Table 5. Number of Bank account holders under PMJDY (N-100)

Sl. No.	Response	Number	Percentage (%)
1.	YES	95	95
2.	NO	5	5
	TOTAL	100	100

Source: Field Survey.

From the above given table it is very clear that out of 100 respondents, 95% of the respondents have bank accounts under PMJDY in order to receive government benefits, services and for receiving remittances.



Source: Field Survey.

Fig. 6. Benefits to the Respondents having a bank account (N-95)

The given data shows that for 34% of the respondent feel that the overdraft facility is of the greatest utility because they have meagre income which mostly depends on season and availability of work. Therefore, holding a bank account help them to avail

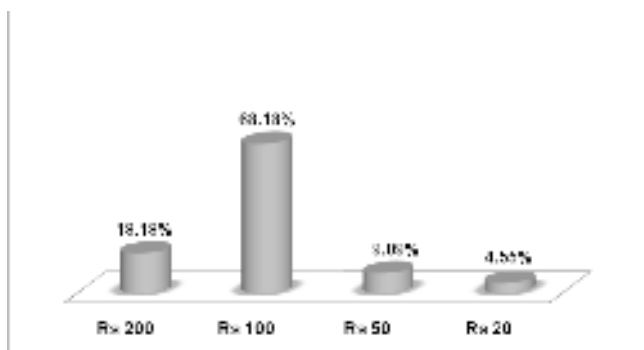
the overdraft facility for meeting their basic needs of life as well as to meet emergencies when needed.



Source: Field Survey

Fig.7. Service charge to open the Account (N-95)

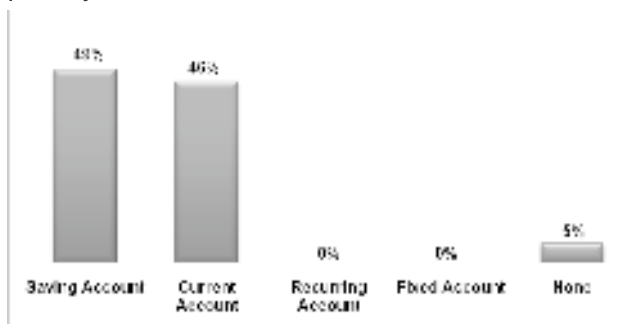
Although in Pradhan Mantri Jan Dhan Yojana accounts can be opened with zero balance, from the survey, it is viewed that 23% of the respondents deposited some money to open their account.



Source: Field Survey.

Fig.8. Amount paid by the respondents for opening an account (N-22)

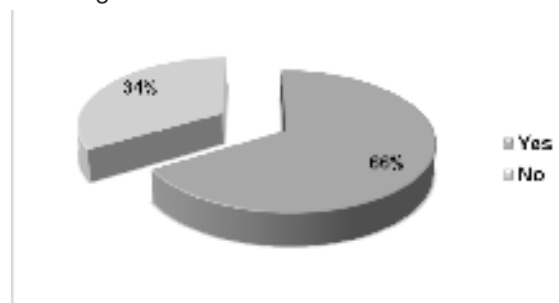
A minimum of Rs.100/- was paid in by a majority of respondents for opening an account under the Jan Dhan Yojana, Which is not in keeping with the directions of the government, especially in case of people living below poverty line.



Source: Field Survey.

Fig.9. Types of Bank Account opened (N-100)

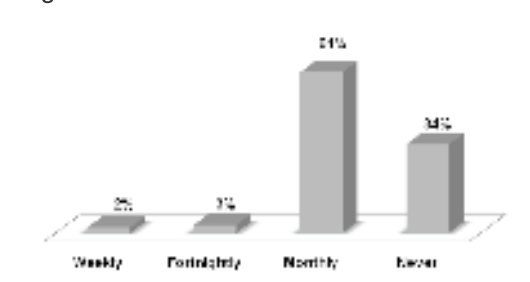
The given figure shows that 49% respondents were having saving account whereas 46% of the respondents were having current accounts. The respondents were unable to invest in any other scheme because they did not have regular income.



Source: Field Survey.

Fig.10 Respondents' transacting with Jan Dhan account (N-95)

From the above given figure it is very clear that the majority of respondents (66%) transact with their Jan Dhan account whereas, 34% of the respondents did not have any transaction with their account as they did not have regular income.



Source: Field Survey.

Fig.11. Frequency of transaction with the bank (N-95)

The above table shows that majority of the respondents (61%) transact with the bank once in a month, which is an achievement in itself in the case of BPL respondents. On the other hand 34% of the respondents who had opened their accounts in the bank did not have any transaction with the bank. They were under the impression that the government was going to give them some financial benefit just by opening an account.



Source: Field Survey.

Fig.12. Timely and adequate benefits from the bank to the respondents (N-95)

93% of the respondents agreed that the benefits were not timely provided by banks when they were in need. Only 7% of the respondents received adequate help from banks in time of need. Further this reveals that this Yojana does not provide benefits timely and adequately to the respondents when needed.

Table 6. Benefits achieved by the Respondents

Benefits	Number
Saving Facility	20
Safe From Exploitation by Money Lenders	17
Loan Facilities	0
Accidental Insurance Facilities	12
Rupay Card	0
Over Draft Facility of Rs.5000	0
Easy Transfer of Money Across India	0

Source: Field Survey.

The above data reveals that only 20 respondents have saving habits and rest of the respondents do not have sufficient income to meet their daily expenses. Therefore, there was hardly any cash left for saving. 18 respondents do feel that this yojana is useful to improve their economic conditions. 17, on the other hand expressed that they were not exploited by money lenders. None of the respondents received benefits of loan facility; RuPay card and easy transfer of money across India because of their lack of awareness. Only 12 respondents got benefit of the accidental insurance facility. None could avail benefits of the overdraft facilities due to irregular transaction with the Jan Dhan Account. This makes it clear that less number of respondents availed benefits from PMJDY. So the third hypothesis **“BPL group who have adopted PMJDY have benefited financially from the scheme”** is disproved.

Conclusion :

The main objective of the PMJDY has been the financial inclusion of all the household, especially the excluded sections, that has been, the weaker section and people from the lower income group. GOI wanted them to have access to various financial help offered by through banks. The information regarding the Yojana is provided to the public through various sources.

- On the basis of our survey it is found that our respondents do have a general awareness regarding the Jan Dhan Yojana. However, majority of them had no knowledge about the various facilities provided under the yojana.

- It is viewed that most of the respondents had opened Jan Dhan Yojana account in banks which are not being operated regularly since they do not have steady income.
- According to the published article of Pradhan Mantri Jan Dhan Yojana all Bank accounts under this Yojana have been linked to a debit card which has been issued under the RuPay Scheme, but according to our study respondents had no knowledge of RuPay Card and none of them possessed RuPy Debit Card or RuPay Kisan Card.
- Since their accounts were not operated regularly, they were unable to use various facilities provided by the bank under Yojana.
- The survey reveals that only a few of the respondents have developed saving habits and they did have some bank balance.
- Majority of them still borrowed from money lenders rather than from banks. Most of the respondents expressed that they did not receive timely help from the bank when in need.
- It was revealed that their level of satisfaction regarding the Jan Dhan Yojana was unfortunately very low.

From the above findings from the study it can be concluded that Financial Inclusion, the main objective of this Yojana is not yet fully achieved. This can be achieved only when the weaker section of the society can be made a part and parcel of this yojana. The poorest of the poor need to be motivated to achieve financial literacy and clarify their doubts and fears regarding bank procedures. It is important that they gain confidence in carrying out bank transactions. Only then can the Yojana achieve the objectives envisioned at the time of its inception, of eradicating poverty and enhancing economic growth.

Limitations of the study :

Despite its valuable findings and implications, this study contains some limitations as –

- The study is limited to 100 samples from 2 different locations i.e.
 - Adalat Ganj
 - Mandiri
- The study has been conducted in Patna city and the results may not be applicable to other areas of the city.

- Due to shortage of time it was impossible to cover entire Patna town for data collection, so (the results could be biased) the relevance of the findings could be partial.
- A Small sample size has been taken for study which may not be the true representative of the whole population.

Suggestions :

1. Awareness must be created among the BPL people about the usage and benefits of the PMJDY.
2. The government of India should help to develop financial literacy among the population, particularly among the BPL population.
3. Through the survey, it is seen that, a large number of accounts are opened under this Yojana but their usage remain negligible. There is a need to increase the financial activities or transaction in these accounts.
4. BPL population is illiterate when it comes to knowing like debits cards, ATMs etc. terms they should be given information about these facilities.
5. According to respondents, the procedure to open a bank account and take loan is complicated. Thus its recommended that banks should simplify the process for the public to overcome their fear of procedural complexities.

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